



1           4.       Admits that plaintiff seeks recovery of the failure to file and failure to pay  
2 penalties assessed and collected with respect to plaintiff's United States Gift Tax Return (Form  
3 709) for the taxable year ended December 31, 2004. Denies the allegations contained in the  
4 second sentence of paragraph 4 of the complaint for the reason that defendant United States of  
5 America presently lacks knowledge or information sufficient to form a belief as to the truth  
6 thereof. Denies the allegations contained in the third sentence of paragraph 4 of the complaint  
7 that the 2004 gift return was filed late due to reasonable cause. Admits the allegations contained  
8 in the last sentence of paragraph 4 of the complaint.

9           5.       Admits the allegations contained in paragraph 5 of the complaint.

10          6.       Admits the allegations contained in paragraph 6 of the complaint.

11          7.       Admits the allegations contained in paragraph 7 of the complaint, except denies  
12 that IRS reduced the assessed interest by \$91,915.31 as alleged in the first sentence of paragraph  
13 7. Alleges that the IRS reduced the assessed interest by \$90,250.39 and allowed plaintiff interest  
14 in the amount of \$1,664.92 on the refund as reflected on Exhibit B to the complaint.

15          8.       Admits the allegations contained in paragraph 8 of the complaint, except denies  
16 that IRS reduced the assessed interest by \$62,740.81 as alleged in the first sentence of paragraph  
17 8. Alleges that the IRS reduced the assessed interest by \$29,382.20 and allowed plaintiff interest  
18 in the amount of \$33,358.61 on the refund as reflected on Exhibit C to the complaint. Denies  
19 that plaintiff overpaid the failure to file penalty by an additional \$139,168.00 as alleged in the  
20 first sentence of paragraph 8; alleges that said additional \$139,168.00 is not reflected on Exhibit  
21 C to the complaint.

22          9.       Admits the allegations contained in paragraph 9 of the complaint.

23          10.       Denies the allegations contained in paragraph 10 of the complaint.

24          11.       Denies the allegations contained in paragraph 11 of the complaint.

25          12.       Denies the allegations contained in paragraph 12 of the complaint.

26          13.       Denies the allegations contained in paragraph 13 of the complaint.

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1       **WHEREFORE**, having fully answered each and every allegation contained in plaintiff's  
2 complaint, defendant United States of America prays that:

- 3           1.     Plaintiff take nothing by her complaint;  
4           2.     Plaintiff's complaint and action be dismissed with prejudice;  
5           3.     The United States be awarded its costs in suits; and  
6           4.     The Court grant such other and further relief as it deems just and equitable in the  
7 premises.

8                                   JOSEPH P. RUSSONIELLO  
9                                   United States Attorney

10                                /s/ David L. Denier  
11                                DAVID L. DENIER  
                                  Assistant United States Attorney  
                                  Tax Division

12       Defendant United States of America demands trial by jury on all triable issues.  
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